

NEW SOUTH WALES.

BUSINESS STATISTICS - WEEKLY NOTES.

28th May, 1940.

This Week's Notes include:-

PART I

SEASON: Generally favourable.

EXPORT PRICES AND EXTERNAL TRADE CONDITIONS: Aust. export prices steady. Trade agreement with Greece. British Emergency Powers Act. Prices steady in U.K.

WOOL: British export drive checked. New Zealand appraisements.

WHEAT: Some recovery in oversea futures. French reserves taxed. Local market quiet. Prices unchanged.

BUTTER: Output declining.

METALS: Tin and silver ease in London. Export parity prices of Australian metals.

II

INTERNATIONAL CURRENCY RELATIONS: Weakness of sterling and franc in New York. Holland joins Anglo-French Monetary Agreement.

III

RETAIL TRADE - Employment in N.S.W. - Mid-April, 1940.  
- Activity in large city shops - March, 1940.

IV

EMPLOYMENT AND ) Number employed - Mid-April, 1940.  
UNEMPLOYMENT, N.S.W. ) Index Numbers - Mid-April, 1940.

MANUFACTURING ) Employment - Mid-April, 1940.  
INDUSTRIES, N.S.W. ) 42 Large factories - Sales &c.  
March, 1940.

WIRELESS LICENSES, N.S.W. - No. in force at 30th April, 1940

## PART I PRIMARY AND EXPORT INDUSTRIES.

SEASON. Generally the outlook for the winter is satisfactory, but rain is needed in the North, North West, West, South-western Riverina and parts of the Coast to maintain pastures and crop development.

EXPORT PRICES AND EXTERNAL TRADE CONDITIONS: Prospects for Australian exports are unchanged. Wheat prices have recovered a little but prospects for disposal of the unsold Australian 1939-40 surplus are still uncertain.

The index number of Australian export prices (Commonwealth Bank) in Australian currency (average, 1927 = 100)

stands at 81.5  
compared with 63.7 a year ago  
and the average of 82.6 which supported marked economic progress in the years 1936 to 1938.

A trade agreement, a simple most-favoured-nation arrangement, has been made with Greece. Past trade with Greece was very limited, apart from exports of wheat and wool from Australia.

The Emergency Powers Act enacted on May 22 gives the British Government complete control over persons and capital. This makes possible mobilisation of the entire nation's resources and energies for war. Important war industries are now in continuous production.

British wholesale prices show further moderate increases in textiles, minerals and miscellaneous items, but lower prices of foods. Index numbers (Economist - 1927 = 100) were:-

1939.	Aug. 23	Dec. 13	1940	Feb. 28	Apr. 17	May 23
	69	89		92	94	95

The British sugar ration was reduced from 12 oz. to 8 oz. a week from May 27, 1940.

The Netherlands Government has joined the Anglo-French Monetary Agreement. This increases the Allies' dollar resources and will preclude their depletion by sterling purchases in the Dutch East Indies.

Over the past week prices of industrial shares on the New York stock exchange were firm but in London the fall since the invasion of the Low Countries continued. Gilt edged securities made some recovery in London.

WOOL. Wool for inclusion in the final 1939-40 appraisements (in Sydney from June 18 to 27) must reach store by June 15. Transport of wool to seaboard was interrupted by curtailment of goods traffic but will be now resumed.

Loss of continental markets has prejudiced the outlook for increased exports of British woollen manufactures. Exports of woollen goods from the United Kingdom in January and February (before the export drive was fully organised) were £stg.5.64 m. this year compared with £stg.5.14 m. in 1939. Supplies of wool for Britain's home trade are still restricted but are freely available for export trade. Government orders are absorbing the greater part of the output of tops and yarns.

Under the British purchase appraisements of wool in New Zealand to April 30, 1940 were 705,900 bales at an average price of 12.047d. (N.Z.) per lb. The agreed price for the New Zealand purchase is 12.25d. (N.Z.) per lb. As practically all New Zealand wool is crossbred and is needed for Government purposes, there will be little addition to the price by re-sale of New Zealand wool outside the United Kingdom.

/The agreed .....

PART I - (Continued)

The agreed price for the Australian 1939-40 clip (13.4375d. (Aust.) per lb.) is approx. 36 per cent. above market value of a year ago and compares with average prices in earlier years as under:-

AVERAGE PRICE OF GREASY WOOL IN SYDNEY.

Pence (Aust.) per lb.	Seasons ended June.					May 25 (a)
	1926-29.	1931-33.	1937.	1938.	1939.	
	17.2	8.5	16.4	12.7	10.3	9.9 13.4

(a) Agreed price for purchase of 1939-40 clip; subject to addition of one-half profit on re-sale of wool outside U.K.

WHEAT. Since the pegging of futures in Chicago at prices of May 18 as minima, quotations have risen about 6 cents a bushel in Chicago and Winnipeg:-

July Futures.	Chicago.	Winnipeg. cents per bushel.
May 10	108 $\frac{5}{8}$	91 $\frac{7}{8}$
18	79	70 $\frac{1}{4}$
25	85	76 $\frac{1}{8}$

It is reported that French wheat reserves are being replenished because of the added drain on them caused by the influx of some 3,000,000 refugees. British stocks are believed to be adequate. From a trade source it is reported that 40,000 tons (1.5 m.b.) of Australian wheat was sold to South Africa for shipment by July.

Official estimates, the fourth for India (398.5 m.b.) and the third for Argentina (119.4 m.b.) vary little from earlier forecasts.

The local market has been dull. Resumption of rail transport this week will enable some metropolitan mills to replenish supplies. Notwithstanding the decline in oversea markets the Wheat Boards prices were unchanged. These were, per bushel. f.o.r. Australian port, 4s.3d. for bagged wheat for export and 4s. for silo wheat for local trade and small export orders.

Little, if any, business was done in flour for export. The price of flour for local consumption is £12.10s. a ton (including tax).

PRICES OF WHEAT IN NEW SOUTH WALES.

	Bulk Wheat.	
	Ex trucks, Sydney.	Equiv. ex Farm, Country siding. (a)
		s. d. per bushel.
Average - Seasons 1930-31 to '34-35	2 9 $\frac{1}{2}$	2 2 $\frac{1}{2}$
- Season 1936-37	5 3	4 8
- " 1938-39	2 5	1 9 $\frac{1}{2}$
- April, 1939	2 5	1 9 $\frac{1}{2}$
- " 1940	3 11(b)	(c)
May 25, 1940	4 0(b)	(c)

(a) Excluding bounty. (b) Prices for sale for local consumption.

(c) The first advance gave farmers about 2s.1d. (net) a bushel.

A further substantial payment may accrue if the unsold wheat is sold satisfactorily.

PART I - (Continued)

BUTTER. Production of butter is declining in New South Wales and some butter is coming from other States to meet local requirements. There is a falling off also in Queensland and in Victoria the output of butter is considerably below that of a year ago.

The local wholesale price of butter remains at 158s.8d. per cwt. in the Eastern States.

It is understood that preliminary negotiations for the sale of butter to the United Kingdom in 1940-41 are in progress. The reduced ration (4 oz. a week) is expected to eke out, and perhaps permit some accumulation of butter stocks in Britain. The price there (1s.7d. stg. per lb.) is unchanged.

The price being paid by the British Government for Australian butter (137s.2d. (Aust.) per cwt. f.o.b. Australian port) is 17s. (Aust.) per cwt. above the export parity of the market price in London of a year ago. Other price comparisons are:-

PRICES OF BUTTER - EXPORT AND LOCAL.

	Average - Seasons ended June.				At May 25.	
	1929-32.	1933-36.	1937-39.	1939.	1939.	1940.
	Shillings (Aust.) per cwt.					
Export Parity	135	88	122	123	120	137(a)
Local Sales.	173	134	150	159	159	159

(a) Agreed price for British purchase, 1939-40.

METALS. Last week the open market price of tin fluctuated near £stg. 270 per ton but declined to £267.12. 6d. on Friday (May 24). Silver eased somewhat after the appreciable advance of the preceding week but in each case quotations remained well above the level of recent months:-

	1939		1940		May		May	
	Aug.		Dec.		17.		24	
	£.	s.	£.	s.	£.	s.	£.	s.
Silver (per oz.) (Stg.)	1	5.7	1	11.3	1	8.8	1	8.7
Tin (per ton) (Stg.)	229	18	9	249	2	8	251	17
	6		17	6	252	5	1	269
					26	9	12	6
					7	6	12	6

Particulars of the export parities of prices received for Australian metals for March and April, 1940 are now available. Generally movements in prices were significant only in respect of silver and tin, where fluctuations in open market quotations in London caused variations. Contracts with the British Ministry of Supply dominate prices for lead, zinc and copper.

AVERAGE PRICES OF METALS (EXPORT PARITY, f.o.b.) AUSTRALIA.  
In Australian Currency.

	Silver (Standard) oz.	Lead (Electro- lytic) ton	Zinc. (Electro- lytic.) ton	Tin. (Standard) ton	Copper. (Electrolytic wire bars) ton		
					s. d.	£. s. d.	£. s. d.
Average - 1928	2 2.8	19 11 7	26 5 8	219 7 5	68	6	2
- 1937	2 1.0	27 9 3	29 1 6	292 15 5	73	10	8
- 1938	2 0.1	17 12 11	19 12 10	228 11 10	55	15	2
July, 1939	1 9.1	16 19 1	19 14 6	273 3 3	59	17	8
Feb., 1940	2 2.2	19 0 9	21 6 9	289 10 1	60	12	6
March, "	2 0.8	19 7 1	21 16 6	287 3 0	60	12	6
April, "	2 1.9	18 10 9	21 17 9	285 13 6	60	12	6

## PART II. INTERNATIONAL CURRENCY RELATIONS.

	Price of Gold (London)	London on New York.	London on Paris.	New York on London.	New York. on Paris.
	Per oz. fine.	\$ to £stg.	Fr. to £stg.	\$ to £stg.	\$ to Fr. 100
	£. s. d.	(Pegged from Sept. 1939)			
Average-1937	7 0 9	4.94	124.6	4.94	4.04
" -1938	7 2 6	4.89	170.6	4.89	2.88
Av. July, 1939	7 8 6	4.68	176.7	4.68	2.65
" Aug. "	7 10 6	4.61	176.4	4.61	2.62
" Feb., 1940	8 8 0	4.03	176.6	3.96	2.25
" Mar., "	8 8 0	4.03	176.6	3.75	2.13
" Apr., "	8 8 0	4.03	176.6	3.53	2.00
May 4, "	8 8 0	4.03	176.6	3.48	1.97
" 11, "	8 8 0	4.03	176.6	3.23	1.83
" 18, "	8 8 0	4.03	176.6	3.20	1.82
" 25, "	8 8 0	4.03	176.6	3.20	1.82

Throughout the past week open market rates for sterling and French francs in New York fluctuated about the level of the preceding week but were tending a little firmer as the week closed. The pegged official rates (which apply to most transactions between the United States and Britain and France) were maintained.

The Netherlands Govt. has joined in the Anglo-French Monetary Agreement under which, inter alia, resources are pooled in prosecuting the common war effort. This brings to the Allies command of the dollar credits of the Netherlands, & places all transactions between Britain, France and the Dutch Colonies on a sterling basis. The Netherlands East Indies already has centralised control of all exchange transactions. For Indies trade with sterling countries a rate of exchange of 7.6 guilders to £stg. will apply; the normal guilder-dollar rate (1.87½ guilders) will be maintained, and in trade with other non-sterling countries credits will be payable in U.S. dollars, or other foreign currencies approved by the "Java Bank".

PART III. FINANCE AND TRADE.

RETAIL TRADE. In retail firms in New South Wales with ten or more employees the number of employees decreased slightly in each March and April, 1940, though from March to May this employment increased slightly in 1938 and 1939. The increase compared with April, 1939 was negligible (.09%). Particulars (appended) indicate a tendency for the growth of employment in retail trade of recent years to be arrested:-

PERSONS EMPLOYED BY RETAILERS IN N.S.W. WITH TEN OR MORE EMPLOYEES.

	1937-38.	1938-39.	1939-40.	Increase, 1939-40 over 1938-39.
September	49,854	50,989	51,176	187
December	57,364	58,716	58,967	251
February	51,919	53,046	53,602	556
March	50,727	51,317	52,062	745
April	51,195	51,361	51,406	45
Increase Sept- Apr.	1,341	372	230	-

In April, 1940 employment was slightly greater in city shops, about maintained in suburban shops, and had decreased somewhat in shops in the Newcastle district and in country towns compared with April, 1938 and 1939. The number of persons employed by retailers with ten or more employees was:-

	<u>City.</u>	<u>Suburbs.</u>	<u>Newcastle District.</u>	<u>Country Towns.</u>	<u>Total.</u>
April, 1938	35,804	4,107	2,522	8,762	51,195
" 1939	36,252	3,990	2,541	8,578	51,361
" 1940	36,537	4,018	2,436	8,415	51,406

Sales in a group of large shops in Sydney were 7.6 per cent. less in value in March, 1940 than in March, 1939 but the comparison is affected by the changing date of Easter. There were three less trading days in March, 1940. In the three months ended March the total value of sales was 3.2 per cent. greater this year than last year. As there has been a significant increase in prices of many commodities, during the war period, it is doubtful if the volume of trade was as great as in the first quarter of 1939. Employment with these firms averaged 1.5 per cent. higher and the amount of salaries and wages paid was 4.2 per cent. greater than in Jan.-Mar., 1939.

Factors affecting retail trade are increasing employment and rising incomes, modified by increased taxation, voluntary saving, dearer and restricted supplies of imported goods and the transfer of troops oversea.

PART IV. INDUSTRIES.

EMPLOYMENT AND UNEMPLOYMENT. Between the middle weeks of March and April, 1940 there was a decrease of 13,560 in the number of persons in employment in New South Wales. The number employed was 852,131 (including as employed about 14,000 miners idle in April) compared with 837,652 in April, 1939. The changing date of Easter affected comparisons but the decrease was due for the greater part to the stoppage of coal production between March 11 and May 17, and followed upon an increase of 33,880 in the preceding seven war months:-

PERSONS EMPLOYED (EX RELIEF WORKERS) IN NEW SOUTH WALES.

	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March.	April.
Thousands.									
1938-39.	834.6	840.5	837.4	841.4	859.7	820.4	833.6	834.1	837.7
1939-40.	831.8	838.4	850.0	856.9	875.5	851.4	859.4	865.7	852.1
Increase	- 2.8	- 2.1	12.6	15.5	15.8	31.0	25.8	31.6	14.4

Almost one-half the decrease in April occurred in factories (see next note). There was a very slight increase (351) in public employment (Government, local government, Water Board, etc.) so that the decrease occurred wholly in private employment, where most industries were affected.

In comparison with April, 1939 the number employed was greater in most industries but was less in amusements, road transport and shipping, building and contracting and in mining. Comparative particulars:-

EMPLOYMENT IN NEW SOUTH WALES.

(Excluding Relief Workers and men in the Armed Forces not on Civil Pay Sheets.)

Group.	Number of Persons Employed in Middle week of -					Increase in Year ended April.		
	Apr., 1937.	Apr., 1938.	Apr., 1939.	Mar., 1940	Apr., 1940	1938	1939	1940.
000	000	000	000	000	000	%	%	%
All Employment	788.9	835.8	837.7	865.7	852.1	5.9	0.2	1.7
Private "	646.9	686.6	685.6	712.3	698.4	6.0	-0.1	1.9
All Factories	213.1	227.9	229.2	241.3	235.3	6.9	0.6	2.7
<u>Firms with Ten or More Employees -</u>								
Mines	18.6	21.3	21.5	21.0	20.7	14.5	0.9	-3.7
Retail Trade	49.2	51.2	51.4	52.1	51.4	4.1	0.4	-
Wholesale Trade	24.5	25.6	25.8	26.0	25.9	4.3	0.8	0.4
Offices & Commerce	25.2	26.2	27.2	29.3	29.0	4.1	3.8	6.6
Shipping, Rd. Transp.	21.2	20.4	22.2	22.2	21.4	-5.8	8.8	-3.6
Personal Services (a)	27.5	29.5	30.4	30.9	30.4	7.3	3.1	-
Other Industries	20.1	20.9	19.5	18.3	18.2	4.0	-6.7	-6.7

(a) Professional, Hospitals, Religion, Amusements, Hotels, etc.

(-) Denotes decrease.

The foregoing tabulation includes in the employed about 14,000 coal mine employees idle between March 11 and May 17 owing to the industrial dispute. There is every reason to regard the decrease in employment during that period as an incidental interruption of the trend toward full employment. Decisions recently made to undertake extensive new capital works and to accelerate and expand production of war materials will increase the demand for labour, while enlistments for active service will reduce the number of men available....

PART IV (Continued.)

available for employment. Already there is a shortage of trained and technical labour in some branches of industry. The Commonwealth is seeking the co-operation of the Unions in the formation of a trade unions' advisory panel to assist in solving labour problems created by the war.

UNEMPLOYMENT. In the middle week of April, 1940 the proportion of unemployment (counting relief workers as unemployed) in New South Wales was 6.7 per cent. compared with 6.5 per cent. in April, 1939 and 5.1 per cent. in March, 1940. Here again effects of the coal strike temporarily disturbed the downward trend of unemployment which resulted in a decrease from 7.6 per cent. in August 1939 to 5.1 per cent. in March, 1940.

Since the outbreak of war enlistments for active service, and the entry of women and adolescents (not formerly of the wage-earning group) into employment have affected the number of persons available for employment, but it has not yet been found possible to secure data to enable the index to be adjusted for these factors.

INDEXES OF EMPLOYMENT AND UNEMPLOYMENT, NEW SOUTH WALES.

Middle Week of Month.	Proportion of All Persons who are Dependent on and Available for Employment -			
	(a) Including full-time equivalent of part-time relief workers as unemployed.		(b) Excluding part-time relief workers from employment.	
	Employed.	Unemployed.	Employed.	Unemployed.
Per cent.		Per cent.		
1934 - April	79.2	20.8	76.7	23.3
1937 "	92.6	7.4	91.3	8.7
1938 "	96.0	4.0	94.9	5.1
1939 March	94.2	5.8	93.2	6.8
" April	94.6	5.4	93.5	6.5
1940 March	95.6	4.4	94.9	5.1
" April	94.0	6.0	93.3	6.7

MANUFACTURING INDUSTRIES. There were 235,300 persons employed in factories in New South Wales in the middle week of April, 1940. This was 6,000 less than a month earlier (showing effects of the coal strike, March 11 to May 17) and 6,100 more than in April, 1939. The decrease in April interrupted the rapid growth in factory activity of the earlier war months, but as power becomes available again the upward trend is likely to be resumed.

PERSONS EMPLOYED IN ALL FACTORIES, NEW SOUTH WALES.

	Number employed in Middle week of -						Increase in	
	<u>Aug.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>March.</u>	<u>April.</u>	<u>Year end- ed Apr.</u>	<u>Aug.- April.</u>
	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)
1937-38	219.3	228.1	222.3	226.3	229.2	227.9	30.5	8.6
1938-39	229.0	230.1	223.1	228.1	230.8	229.2	1.3	0.2
1939-40	224.7	240.4	235.9	237.3	241.3	235.3	6.1	10.6

In the month ended mid-April employment decreased to some extent in all major manufacturing industries but the decrease was greatest in the industrial metals group (the heavy industries were affected quickly by coal shortages) and in food and drink factories (a seasonal movement). Compared with April, 1939 the only exceptions to the general increase were in lime, cement, etc. and woodworking and furniture factories, reflecting reduced building activity.

/The following.....

PART IV. (Continued.)

The following statement shows the influence of the war on industry, both by direct employment in supplying war materials and indirectly through repercussion of war expenditure and higher export income under war contracts with the British Government.

EMPLOYMENT IN FACTORIES WITH TEN OR MORE EMPLOYEES, N.S.W.

Middle week of	Lime, Cement &c.	Bricks Glass &c.	Chemicals, &c.	Industrial Metals.	Textile & Cloth ing.	Food and Drink.	Wood-working etc.	Paper & Printing.	Rubber.
Number of Persons employed - Thousands.									
Apr., 1935	1.57	5.88	5.25	42.62	30.80	23.07	7.74	11.84	2.63
" 1938	2.38	7.72	6.52	60.04	34.77	26.14	9.42	13.31	3.71
" 1939	2.85	8.80	7.21	61.56	37.27	28.78	10.14	14.74	3.66
Aug., "	2.85	8.66	7.24	61.78	36.96	27.96	9.89	14.81	3.68
Mar., 1940	2.75	9.24	8.55	66.30	39.61	31.05	9.95	15.15	4.13
Apr., "	2.64	9.11	8.54	63.52	39.30	29.97	9.82	15.11	4.04

Important industrial developments associated with the war programme (aircraft manufacture, etc.) are still in preliminary stages. On May 22 the Prime Minister announced plans to further increase munitions production, extend utilization of private factories in the provision of war material, and to proceed with construction of a battleship dock in Sydney harbour at a cost of approx. £3m. Formation of a trade unions' advisory panel to facilitate the best possible use of Australia's industrial labour in the war effort was also mooted. The result should be an acceleration of industrial expansion.

In 42 large factories products sold in March, 1940 (as in each war month) were greater (4.6%) in value than in the corresponding month of the preceding year, although March, 1940 included the Easter holiday period. In the seven months ended March sales were £24.8m. in 1939-40 compared with £22.3m. in 1938-39, an increase of 11.2 per cent. Comparisons for March quarter are given in the next table. In March, 1940 there were 1,000 more employees in these factories and the amount paid in salaries and wages was 7.3 per cent. greater than in March, 1939.

MANUFACTURING INDUSTRIES - NEW SOUTH WALES.

All Factories.		Forty-Two Large Factories.					
		Month of March.			March Quarter. (Monthly Average).		
Employment	Number.	Sales.	Employees.	Wages Paid Weekly.	Sales.	Employees.	Wages Paid Weekly.
Index No.		£000	000	£000	£000	000	£000
1928-29							
180,756	100						
1932	134,500	79	2273	14.4	53.5	2068	14.1
1937	213,100	118	3147	22.2	83.9	2872	21.8
1938	227,900	126	3570	23.2	94.9	3163	23.2
1939	229,200	127	3406	22.9	96.1	3071	23.1
1940	235,300	131x	3562	23.9	103.1	3414	23.8

/ March, 1933. x. Subject to revision.

WIRELESS LICENSES in force in New South Wales on 30th April, 1940 numbered 451,218. There was an increase in April of 3,908 - much greater than in any recent month - compared with increases in April of 684 in 1939 and 2,408 in 1938. Increases for the four months ended April were:-

1937, 7,555; 1938, 10,868; 1939, 8,253; 1940, 9,284.

/Particulars.....

PART IV. (Continued.)

Particulars of the number of licenses current in New South Wales at various dates are:-

BROADCAST LISTENERS' LICENSES IN FORCE IN NEW SOUTH WALES.  
(Including Australian Capital Territory.)

	<u>1932.</u>	<u>1934.</u>	<u>1936.</u>	<u>1937.</u>	<u>1938.</u>	<u>1939.</u>	<u>1940.</u>
	Number of Licenses current - thousands.						
At 30th April ..	135.0	214.4	307.8	348.4	397.9	428.8	451.2
Increase in year ended April -	14.7	41.4	33.9	40.6	49.5	30.9	22.4